G. R. S. IX-5]

Previous references.

1921.

(G 7)

G7 File No. 6-21

Serial Nos. 32

Later references.

G. I. 74-24-3, 5, 7 + 9.

GENERAL AND REVENUE SECRETARIAT.

Serial No. 32

Part B for July 1921

SUBJECT.

Facilities to the Govt Employees for subscribing the New Loan of 1921

To The Compiler Nigane Gazette

No. 7L 255-G, 20.7.21

Notifies the facilities afforded to the Govt Employees for subscribing the New Loan of 1921

WD 2253—GP 3—20,000—14-6-20

21.7.21

15/76

G. R. S. III-21

General and Revenue Secretariat.

97 File No. 6 of 1927

Serial No.

... ...Now that the loans notification has issued, the concessions to be allowed to Government servants for subscribing to the loans have to be settled. Last year, we charged 6¼% on the advances given for subscribing to the loan, i.e., the same rate as that which the loan itself carried. There was really no concession so far as the interest rate is concerned. The Mysore Bank was not willing to lend at less than 6¼% and it was therefore considered that it was undesirable to lend to Government servants at a rate more favourable than that allowed by the Bank. For subscribing to loans of the Government of India, advances at a reduced rate of interest are made by the Imperial Bank of India and this concession is available to all investors, whether they are officials or nonofficials, e.g., for subscribing to the loan of that Government which is now on offer, the Imperial Bank has offered to advance at 5½%. As the loan itself carries 6%, the difference of half a per cent. is an attraction for encouraging investments in the loan. We are issuing two loans and the yield on the 7% loan is 7% and the 6½% loan is 6⅔ %. We may therefore advance money for subscribing to the loan at 6¼ per cent. The advantage will be ¾% and 5/12 % respectively in the case of the two loans. The rate of 6¼% has the advantage of facilitating calculation, as it represents

NOTE—Contn. sheet.

100 annas

Serial No.

100 annas for ~~an investment~~ loan of 100 rupees. It ~~has~~ is to be hoped that the Mysore Bank will also be willing to lend at the same rate.

I have addressed the Manager of that Bank in regard to the concessions the Bank is prepared to ~~show~~ offer for facilitating investments in the Loan and I have also suggested the rate of 6¼% for loans to be advanced by the Bank to the public for subscribing to the loans.

As regards the amount to be advanced to ~~each~~ an official subscriber, we allowed on the last occasion, six months' pay or Rs.5,000, whichever was less. The limit in the form of a lumpsum amount, is I think, not necessary, as if the few officers on high rates of pay choose to subscribe more than Rs.5,000, there is no reason why we should not accommodate them as their ability to repay the advance ~~is assured~~ being assured. I have accordingly proposed to impose only one limit, namely that the amount should not exceed six months' pay of the applicant.

With a view to make the monthly repayments simple, it has been proposed to obtain from subscribers to the 7% loan, ~~a~~ an initial cash contribution of Rs.4 per cent., and from subscribers to the 6½% loan, a ~~cash~~ similar contribution of Rs.1½ per cent. The advantage of this arrangement is that the amount to be advanced by Government in

NOTE—Contn. sheet.

Serial No.

in both cases is 96%, which can be repaid in 24 instalments at the rate of Rs.4 per month.

The penal rate on the previous occasion was 7½ per cent. and in view of the increased ~~x~~ value of of money, it has now been raised to 8%.

The case of officers who have already taken advances for subscribing to our previous loans requires to be considered. As the terms of our new issue are more favourable than those of the previous loan, it is only fair to give them an opportunity for going in for the new loan as well, but they cannot be expected to take another advance for the new loans while they have yet about half the previous advance outstanding against them. I have therefore proposed to permit them to close their account of the present advances as on 30th September 1921, as ~~it will be~~ on that date will be completed one full year of the currency of the loan. For the reduced amounts such subscribers may be permitted to take bonds and where any small amount has ~~to~~ to be paid for issuing bonds of the next higher ~~denomination~~ denomination, they may be required to pay it; otherwise cash refunds will become necessary, which is both inconvenient and undesirable.

Officers who obtain bonds under this arrangement may of course tender them for conversion into the 6½ per cent. bonds in the usual course.

K 154/2C

(4)

G. R. S. III-21

General and Revenue Secretariat. | 97 File No. 6 of 1924

Serial No.

A draft embodying the above conditions is put up.

Forwarded to the Comptroller for favour of remarks and suggestions. 9-7-21

No. S.L. 12 dated the 12th July 1921.

a Para I of the rules is not quite explicit as it does not state to which loan the 4% and 1½% cash payment refers. It would be better to add the kind of loan after each one of them.

b The conversion of the bonds of 1920 into those of the current Loan, by those whose accounts are closed as on 30 th September 1921, has not been mentioned in the draft notification. A paragraph may be added indicating the procedure to be adopted in such cases.

c The amount to which the bonds of the last Loan have been issued to Government Officers, subscribing through Government advances, is about Rs.4,78,000. The concession allowed to them by the last rules for subscribing to the present Loan, reduces the amount of the last Loan itself by about Rs.2,40,000. The delivery of last Loan bonds to such subscribers will have to be made a couple of months after the present scheme is put into operation.

d. To facilitate punctual recovery of instalments from

NOTE—Contn. sheet.

May the Note
issue
which see draft
of article 10
claim — 9

Please) 18
19.7.24

Please some
one
advise
Tobe notified
in Mr Nellis
file 19.7

G. R. S. III-21

General and Revenue Secretariat. | 97 File No. 6 of 1924.

Serial No.

from such subscribers for the present loan, it may be considered, if it is not necessary to confine payment of advances to those who are not likely to retire or to be retired before 24 months.

A. Lushington 12.7.24
Comptroller.

To.
The Financial Secretary)
a. This was an omission in the Rules part - and it has now been supplied. (Vide Form of application).
b. This point was considered when drafting ~~the application~~. The privilege allowed in regard to conversion in the loan application ~~sch~~ maybe availed of in the usual way by the Subscribers under this scheme. If it is considered necy, a clause maybe added to para 9 that the procedure to be adopted in the matter of conversion of the 6% Govt. Bonds into the new loan 6% - will be laid down by the Comptr.
c. No remarks.
d. Such officers maybe allowed to pay up the amount outstanding as retirement in one lump. This is the rule in re H.B. Motor advances.

Draft rules added by Mudy

Draft rules appd JS

Floyer) Dewan) appd Mudy 14-7-24/15-7-24 JS

NOTE—Contn. sheet.

Please await until terms of advances by Bank are settled Mudy 17.7.24 11/4 14/7

G. R. S. III-2]

General and Revenue Secretariat.

Q2 File No. 6 of 1921.

Serial No.	
	To the amptler mysore gazette
32	no Fl 285 dated 20.7.21
	notifies the facilities afforded with regd employees for subscribing to the war loans of 1921

NOTE—Contn. sheet

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

General and Revenue Secretariat,

No. R 285 / G 76-21-32

Dated, Bangalore 20 July 21

Notification.

The Government of His Highness the Maharaja of Mysore are pleased to grant to their employees the concessions mentioned below to help them to subscribe to the Mysore Government Loans of 1921.

By Order,

14.7.21

Financial Secretary to Government.

N. 9.7.4

(4)

Rules for the grant of advances to Government Officers for subscribing to the ~~No. 2~~, Mysore Government Loans of 1921 amended in Notn. No 96 F. 6-21-4 dt 9th July 1921.

1. On payment in cash of a deposit of 4% of the ~~amount~~ face value of Bonds required, Government will make an advance of 96% to intending subscribers not exceeding six months' pay. The value of Bonds applied for under these rules should be a multiple of rupees 100/-.

2. Government will retain the Bonds subscribed for by the borrower pending complete repayment of the advance obtained by him.

3. The amount advanced will be repayed within ~~three~~ two years by equal monthly instalments by deduction from pay.

4. If no pay or allowances is due to the Officer in any month, the instalment must be paid in cash.

5. Interest will be calculated at the rate of 6¼% per annum on the amount outstanding on the 1st of each month and charged half yearly to the borrower. On the other hand the borrower will be credited with the full interest realised on Bonds reserved for him.

6. Failure to pay any instalment will involve the charging of interest on the outstanding balance of advance at 8% per annum.

7. On complete repayment of the advance Government will transfer to the borrower the Bonds and also furnish him with a statement of the interest account.

8. Applications from Officers desiring to subscribe under this scheme should be made in the form attached which must be forwarded to the Comptroller not later than 31st October, 1921. The deduction from pay will commence from the first pay bill drawn after the application is tendered.

9. Officers who have taken advances for subscribing to the 6¼% Loan of 1920 will if they wish to avail themselves of the concession allowed by this Notification, be permitted to close their present advance accounts as on 30-9-1921 and to obtain 6¼% Bonds for

reduced amounts: if bonds of prescribed denomination cannot be issued for such amounts, the balance as advised by the Comptroller should be paid in cash. The 6½% bonds thus obtained can be converted into 6½ bonds in the usual course.

To

The Comptroller to the Government of Mysore.

Sir,

I wish to subscribe to the ~~No~~ (1) 7 (2) 6½% Mysore Government Loan of 1921. to the extent stated below in accordance with the terms of the scheme set out in Notification No. 98 Fe 6-21-4 dated 9th July, 1921, and authorise you to make the necessary deductions from my pay bills for ~~36~~ 24 months from ..... 1921 to .....192~~2~~, a sum of rupees in(words) .....being the initial subcription ~~%~~ 4/ 12½% required under the scheme has been credited in cash to the Treasury at.....as per certificate below:-

My present substantive pay is Rs. .....

(Usual) Signature.....

Name(in full).....

Station..... Designation.....

Dated..... Name of Office.....

Amount subcribed(1) in figures~~1111~~.....

(2) in words.....

Monthly instalment of recovery Rs.....per.month.-

Details of Bonds wanted.

Denominations.	No.	Total value.
100		
500		
1,000		
5,000		

Note.--After obtaining the Treasury certificate of credit, this form should be sent direct to the Comptroller and an acknowledgment of its receipt should be obtained.

~~X~~ Scrue out the figures not required.

P.T.O.

Treasury Certificate.

Certified that a sum of rupees (in words).....being 4/11½% of the amount subscribed as above has been received on..... ..... (date) and credited in the Treasury account.

Station.....)
Dated.....)

Signature of Treasury Officer.

FINANCIAL.

No. Fl. 285—*G F.* 6-21-32, *dated* 20*th July* 1921.

The Government of His Highness the Maharaja of Mysore are pleased to grant to their employees the concessions mentioned below to help them to subscribe to the Mysore Government Loans of 1921.

By Order,
M. N. KRISHNA RAO,
Financial Secretary to Government.

Rules for the grant of advances to Government Officers for subscribing to the Mysore Government Loans of 1921 announced in Notification No. Fl. 98—G. F. 6-21-4, dated 9th July 1921.

1. On payment in cash of a deposit of *4%—1½% of the face value of *7.—6½% Bonds required, Government will make an advance of 96% to intending subscribers not exceeding six months' pay. The value of Bonds applied for under these rules should be a multiple of rupees 100.

2. Government will retain the Bonds subscribed for by the borrower pending complete repayment of the advance obtained by him

3. The amount advanced will be repaid within two years by equal monthly instalments by deduction from pay.

4. If no pay or allowances is due to the officer in any month the instalment must be paid in cash.

5. Interest will be calculated at the rate of 6¼% per annum on the amount outstanding on the 1st of each month and charged half-yearly to the borrower. On the other hand the borrower will be credited with the full interest realised on bonds reserved for him.

6. Failure to pay any instalment will involve the charging of interest on the outstanding balance of advance at 8% per annum.

7. On complete repayment of the advance Government will transfer to the borrower the Bonds and also furnish him with a statement of the interest account.

8. Applications from officers desiring to subscribe under this scheme should be made in the form attached which must be forwarded to the Comptroller not later than 31st October 1921. The deduction from pay will commence from the first pay bill drawn after the application is tendered.

9. Officers who have taken advances for subscribing to the 6¼% loan of 1920 will, if they wish to avail themselves of the concession allowed by this Notification, be permitted to close their present advance accounts as on 30th September 1921 and to obtain 6¼% Bonds for reduced amounts, provided that their subscription to the New Loans is for Bonds of not less than the difference between the face value of 6¼% Bonds originally applied for and the reduced amounts. If 6¼% Bonds of prescribed denominations cannot be issued for such reduced amounts, the balance as advised by the Comptroller should be paid in cash. The 6¼% Bonds thus obtained can be converted into 6½% Bonds in the usual course.